

**BALL JANIK LLP**

A T T O R N E Y S

1455 F STREET, NW, SUITE 225  
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307  
FACSIMILE 202-783-6947

RECORDATION NO. **23544** FILED

**JUN 29 '01 4-26 PM**

**TS  
SURFACE TRANSPORTATION BOARD**

KARL MORELL

kmorell@bjllp.com

June 29, 2001

The Honorable Vernon Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W., Suite 700  
Washington, DC 20423-0001

Dear Secretary Williams:

Enclosed are the original and one certified copy of the document described below to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Guaranty and Collateral Agreement, a primary document, dated as of June 29, 2001. Please record this document under the next available Recordation Number.

The name and address of the parties to the Memorandum of Guaranty and Collateral Agreement are:

Secured Party/Agent:

Bank of America, N.A.  
1200 Main  
Kansas City, MO 64105

Debtor:

Watco Companies, Inc.  
315 W. 3<sup>rd</sup> Street  
Pittsburg, KS 66762

A description of the equipment covered by the Memorandum and Collateral Agreement is identified on the attached Schedule and includes **ALL NOW OWNED OR HEREAFTER ACQUIRED.**

BALL JANIK LLP

The Honorable Vernon Williams  
June 29, 2001  
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A fee of \$28.00 is enclosed. Please return the original to:

Karl Morell  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Guaranty and Collateral Agreement between Bank of America, N.A., 1200 Main, Kansas City, MO 64105, and Watco Companies, 315 W. 3<sup>rd</sup> Street, Pittsburg, KS 66762, covering the equipment described in the Schedule and **ALL NOW OWNED OR HEREAFTER ACQUIRED.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl Morell', written in a cursive style.

Karl Morell

Enclosures

MEMORANDUM OF GUARANTY AND COLLATERAL AGREEMENT

This Memorandum of Guaranty and Collateral Agreement, dated as of June 29, 2001, is by Watco Companies, Inc. (the "Debtor") and Bank of America, N.A., as Administrative Agent for the Lenders pursuant to the Credit Agreement (the "Credit Agreement"), dated as of June 29, 2001, among Watco Companies, Inc. (the "Borrower"), the Lenders listed therein (the "Lenders"), and the Administrative Agent.

1. The Lenders have made loans to the Borrower pursuant to the Credit Agreement for the purpose of financing the operating needs of the Borrower and its affiliates (including Debtor). Such loans are secured by the Debtor's assets pursuant to the Guaranty and Collateral Agreement, dated as of June 29, 2001 (the "Guaranty and Collateral Agreement").

2. Pursuant to the Guaranty and Collateral Agreement, the Debtor grants to the Lenders a lien on and security interest in all of the Debtor's right, title and interest in and to the Rolling Stock (as defined in the Guaranty and Collateral Agreement) identified on the Schedule attached hereto and now owned or hereafter acquired, pursuant to Section 3 of the Guaranty and Collateral Agreement.

*IN WITNESS WHEREOF*, each of the parties hereto have caused this MEMORANDUM OF GUARANTY AND COLLATERAL AGREEMENT to be executed by its duly authorized officer as of the date first above written.

WATCO COMPANIES, INC., as debtor

By: 

Name: Garry Lunny

Title: Secretary

BANK OF AMERICA, N.A., as  
Administrative Agent

By: 

Name: MICHAEL W. SLACK

Title: SENIOR VICE PRESIDENT

RECORDING NO. 23544 FILED

JAN 29 '01 4-26 PM

SURFACE TRANSPORTATION BOARD

State of Illinois )  
 ) ss.  
County of Cook )

On this 29 day of June, 2001, before me personally appeared Gary Lundy,  
to me personally known, who, being by me duly sworn, says that (s)he is the  
Secretary of Watco Companies, Inc., and that (s)he is duly authorized to sign the  
foregoing instrument on behalf of Watco Companies, Inc., and (s)he acknowledged that the  
execution of the foregoing instrument was the free act and deed of Watco Companies, Inc.

Linda A. Herron  
Notary Public

My commission expires:



State of Illinois )  
 ) ss.  
County of Cook )

On this 29 day of June, 2001, before me personally appeared Michael W. Slack  
to me personally known, who, being by me duly sworn, says that (s)he is the  
Senior Vice President of Bank of America, N.A., and that (s)he is duly authorized to sign the  
foregoing instrument on behalf of Bank of America, N.A., and (s)he acknowledged that the  
execution of the foregoing instrument was the free act and deed of Bank of America, N.A.

Linda A. Herron  
Notary Public

My commission expires:



Memorandum of Guaranty and Collateral Agreement

SCHEDULE

[See attached]

TITAN	SKOL	75031	100 ton O/T Hopp	2868
TITAN	SKOL	166080	100 ton O/T Hopp	3418
TITAN	SKOL	167846	100 ton O/T Hopp	3418
WSI	USEX	510	Cov'd Hopp	
WSI	PCC	1113	C4 Cov'd Hopp	PCC
WSI	PCC	1115	C4 Cov'd Hopp	PCC
WSI	PCC	1204	C4 Cov'd Hopp	PCC
Leasing	ISGX	8002 WAMX	8002 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8010 WAMX	8010 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8051 WAMX	8051 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8095 WAMX	8095 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8124 WAMX	8124 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8137 WAMX	8137 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8177 WAMX	8177 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8179 WAMX	8179 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8181 WAMX	8181 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8186 WAMX	8186 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8195 WAMX	8195 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8286 WAMX	8286 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8340 WAMX	8340 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8341 WAMX	8341 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8354 WAMX	8354 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8394 WAMX	8394 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8409 WAMX	8409 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8417 WAMX	8417 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8435 WAMX	8435 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8472 WAMX	8472 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8502 WAMX	8502 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8528 WAMX	8528 O/T Gons	Baytown, TX 4000
Leasing	ISGX	8541 WAMX	8541 O/T Gons	Baytown, TX 4000
WSI	BNFE	18345	Cov'd Hopp	
WSI	BNFE	19408	Cov'd Hopp	
Leasing	GACX	46788 SKOL	1023 AIRSLIDE CAR	SKOL
Leasing	GACX	46800	AIRSLIDE CAR	SKOL
Leasing	GACX	46793 SKOL	1024 AIRSLIDE CAR	SKOL
Leasing	GACX	46853	AIRSLIDE CAR	SKOL
Leasing	GACX	47181 SKOL	1025 AIRSLIDE CAR	SKOL
Leasing	GACX	46791	AIRSLIDE CAR	SKOL
Leasing	GACX	46680 SKOL	1026 AIRSLIDE CAR	SKOL
Leasing	GACX	46976	AIRSLIDE CAR	SKOL
Leasing	GACX	47018 SKOL	1027 AIRSLIDE CAR	SKOL
Leasing	GACX	47040	AIRSLIDE CAR	SKOL
Leasing	GACX	47075 SKOL	1028 AIRSLIDE CAR	SKOL
Leasing	GACX	47175	AIRSLIDE CAR	SKOL
Leasing	GACX	47183 SKOL	1029 AIRSLIDE CAR	SKOL
Leasing	GACX	46766	AIRSLIDE CAR	SKOL
Leasing	GACX	47041 SKOL	1030 AIRSLIDE CAR	SKOL
Leasing	GACX	47184 SKOL	1031 AIRSLIDE CAR	SKOL
Leasing	GACX	46983	AIRSLIDE CAR	SKOL
Leasing	GACX	46716 SKOL	1032 AIRSLIDE CAR	SKOL
Leasing	GACX	47036	AIRSLIDE CAR	SKOL
Leasing	GACX	47179 SKOL	1033 AIRSLIDE CAR	SKOL
Leasing	GACX	47181	AIRSLIDE CAR	SKOL
Leasing	GACX	46709 SKOL	1034 AIRSLIDE CAR	SKOL
Leasing	GACX	46792	AIRSLIDE CAR	SKOL
Leasing	GACX	47043 SKOL	1035 AIRSLIDE CAR	SKOL
Leasing	GACX	46976	AIRSLIDE CAR	SKOL
Leasing	AMIX	1001 SKOL	1001 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1002 SKOL	1002 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1003 SKOL	1003 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1004 SKOL	1004 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1005 SKOL	1005 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1006 SKOL	1006 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1007 SKOL	1007 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1008 SKOL	1008 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1009 SKOL	1009 Cov'd Hopp	SKOL 5250
Leasing	AMIX	1010 SKOL	1010 Cov'd Hopp	SKOL 5250
Leasing	BDNX	243 SKOL	1036 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	245 SKOL	1037 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1002 SKOL	1038 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1008 SKOL	1039 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1015 SKOL	1040 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1016 SKOL	1041 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1022 SKOL	1042 PD Cov'd Hopp	SKOL 3000 1969
Leasing	BDNX	1026 SKOL	1043 PD Cov'd Hopp	SKOL 3000 1969

	OLD INITIAL	OLD NUMBER	NEW INITIAL	NEW NUMBER	MODEL	PURCHASE DATE	
BLMR		784	WAMX	3502	GP35	Jun-05	1992
BLMR		790	WAMX	3507	GP35L	Jun-05	1992
BLMR		792	WAMX	3509	GP35	Jun-05	1992
BLMR		799	WAMX	3513	GP35	Jun-05	1992
BLMP		2806	WAMX	7107	CF7	Apr-87	1987
CLN		8128	WAMX	1209	SW12	Jun-99	1999
FEC		229	WAMX	1202	SW12	Feb-99	1999
ISCX		9	WAMX	1208	SW12	Jan-97	1997
ISCX		20	WAMX	7003	GP7	Jan-97	1997
ISCX		21	WAMX	7004	GP7	Jan-97	1997
ISCX		29	WAMX	902	SW9	Mar-92	1992
ISCX		30	WAMX	903	SW9	Mar-92	1992
ISCX		40	WAMX	802	SW8	Oct-85	1985
ISCX		103	WAMX	7008	GP7	May-96	1996
ISCX		111	WAMX	7103	CF7	Jan-97	1997
ISCX		129	WAMX	904	SW9	May-85	1985
ISCX		134	WAMX	905	SW9	Feb-84	1984
ISCX		135	WAMX	906	SW9	Aug-83	1983
ISCX		137	WAMX	907	SW9	Feb-84	1984
ISCX		145	WAMX	908	SW9	Aug-83	1983
ISCX		146	WAMX	909	SW9	Feb-84	1984
ISCX		149	WAMX	910	SW9	Jan-84	1984
ISCX		159	WAMX	911	SW9	Feb-84	1984
ISCX		160	WAMX	912	SW9	Feb-84	1984
ISCX		183	WAMX	913	SW9	Feb-84	1984
ISCX		174	WAMX	915	SW9	Feb-84	1984
ISCX		177	WAMX	916	SW9	Aug-83	1983
ISCX		178	WAMX	918	SW9	Feb-84	1984
ISCX		182	WAMX	919	SW9	Feb-84	1984
ISCX		186	WAMX	920	SW9	Jan-87	1987
ISCX		187	WAMX	917	SW9	Aug-83	1983
ISCX		195	WAMX	922	SW9	Feb-84	1984
ISCX		202	WAMX	102	SW1	Sep-91	1991
ISCX		204	WAMX	103	SW1	Sep-91	1991
ISCX		509	WAMX	104	SW1	Feb-84	1984
ISCX		565	WAMX	7013	GP7	Jan-87	1987
ISCX		904	WAMX	203	NW2	Dec-97	1997
ISCX		907	WAMX	921	SW9	May-85	1985
ISCX		1003	WAMX	7014	GP7	Jan-97	1997
ISCX		1212	WAMX	1206	SW9	Jun-95	1995
ISCX		1222	WAMX	923	SW9	Jan-87	1987
ISCX		1223	WAMX	927	SW9	Jan-87	1987
ISCX		1224	WAMX	924	SW9	Oct-92	1992
ISCX		1227	WAMX	925	SW9	Jan-87	1987
ISCX		1230	WAMX	108	SW1	Sep-94	1994
ISCX		1247	WAMX	926	SW9	Dec-88	1988
ISCX		1328	WAMX	204	NW2	Apr-89	1989
ISCX		1939	WAMX	105	SW1	Jan-87	1987
ISCX		2121	WAMX	1207	SW12	Jun-95	1995
ISCX		3005	WAMX	3009	GP30	Jan-97	1997
ISCX		5734	WAMX	7028	GP7	Jan-97	1997
ISCX		5737	WAMX	7029	GP7	Jan-97	1997
ISCX		6570	WAMX	3527	GP35	Aug-94	1994
ISCX		7310	WAMX	106	SW1	May-89	1989
ISCX		9140	WAMX	107	SW1	Jul-90	1990
JS		1230	WAMX	929	SW9	Jun-99	1999
NOPB		103	WAMX	1702	SW1000	Feb-99	1999
NOPB		106	WAMX	1701	SW1000	Oct-98	1998
ORR		1000	WAMX	7104	CF7	Apr-87	1987
WATX		2057	WAMX	7017	GP7	Jul-98	1998
WATX		2114	WAMX	7019	GP7	Feb-97	1997
WATX		2126	WAMX	7020	GP7	Feb-97	1997
WATX		2187	WAMX	7025	GP7	Jan-97	1997
WATX		6644	WAMX	1801	SD18	Apr-98	1998
WATX		8138	WAMX	1003	GP10	Jun-92	1992
WATX		8712	WAMX	803	SW8	Dec-96	1996
WATX		19	WAMX	1203	SW12	Jan-90	1990
WSRH		311	WAMX	9003	GP9	Jun-98	1998
TOTALS							

TITAN	7	WAMX	25	GE25	Aug-95	1995
TITAN	102	WAMX	202	NW2	Aug-95	1995
TITAN	145	WAMX	928	SW9	Aug-95	1995
TITAN	167	WAMX	914	SW9	Aug-95	1995
TITAN	187	WAMX	1204	SW12	Aug-95	1995
WAMX	801	WAMX	801	SW8	May-98	1998
WAMX	804	WAMX	804	SW8	Apr-2000	2000
WAMX	6647	WAMX	1802	SD18	Oct-98	1998
WATX	1	WAMX	201	NW2	May-83	1983
WATX	2	WAMX	901	SW9	Oct-84	1984
WATX	3	WAMX	1201	SW12	Mar-85	1985
WATX	6	WAMX	7101	CF7	Apr-87	1987
WATX	8	WAMX	1101	SW10	Oct-90	1990
WATX	17	WAMX	7001	GP7	Apr-90	1990
WATX	18	WAMX	7002	GP7	Apr-90	1990
WATX	55	WAMX	101	SW1	Oct-90	1990
WATX	102	WAMX	7005	GP7	Mar-96	1996
WATX	104	WAMX	9004	GP9	Mar-96	1996
WATX	207	WAMX	1205	SW12	Sep-95	1995
WATX	1002	WAMX	7106	CF7	Jan-97	1997
WATX	1592	WAMX	8002	GP8	Oct-96	1996
WATX	2008	WAMX	2001	GP20	Mar-92	1992
WATX	2009	WAMX	2002	GP20	Mar-92	1992
WATX	2054	WAMX	7016	GP7	Jul-98	1998